



## 99TH GENERAL ASSEMBLY

### State of Illinois

### 2015 and 2016

### HB2664

by Rep. Robert Rita

#### SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.866 new  
225 ILCS 459/55  
225 ILCS 459/56 new  
225 ILCS 459/57 new

Amends the State Finance Act. Establishes the Appraisal Management Company Recovery Fund. Amends the Appraisal Management Company Registration Act. Provides that the Real Estate Appraisal Administration Disciplinary Board may charge a fee, not to exceed \$800, to be paid at the time of submission of an original application and each renewal application, for a license as an appraisal management company. Provides that such fees shall be deposited in the Appraisal Management Company Recovery Fund. Provides that the Board shall administer the fund for the purpose of providing restitution to certified general and residential real estate appraisers who have suffered pecuniary loss due to appraisal management companies ceasing to be registered with the Board. Provides that the amount paid to an appraiser shall equal the actual amount of appraisal fees proven to be owed to the appraiser by the relevant appraisal management company, and any reasonable and appropriate court costs associated with determining the final judgment in favor of the appraiser. Provides that any monies remaining in the fund at the close of the fiscal year shall not lapse, but shall be carried forward into the succeeding fiscal year. Provides that the fund is not subject to sweeps, administrative charge-backs, or any other fiscal or budgetary maneuver that would transfer any amounts from the fund into any other fund of the State. Authorizes the Department of Financial and Professional Responsibility to adopt rules ensuring that the balance of the fund shall not fall below \$900,000, and suspend imposing fees when the balance of the fund is \$900,000. Effective immediately.

LRB099 08628 HAF 28792 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The State Finance Act is amended by adding  
5 Section 5.866 as follows:

6 (30 ILCS 105/5.866 new)

7 Sec. 5.866. The Appraisal Management Company Recovery  
8 Fund.

9 Section 10. The Appraisal Management Company Registration  
10 Act is amended by adding Sections 55, 56 and 57 as follows:

11 (225 ILCS 459/55)

12 Sec. 55. Fees.

13 (a) The fees for the administration and enforcement of this  
14 Act, including, but not limited to, original registration,  
15 renewal, and restoration fees, shall be set by the Department  
16 by rule. The fees shall not be refundable.

17 (b) All fees and other moneys collected under this Act  
18 shall be deposited in the Appraisal Administration Fund, except  
19 as provided by Section 56 of this Act.

20 (Source: P.A. 97-602, eff. 8-26-11.)

1 (225 ILCS 459/56 new)

2 Sec. 56. Appraisal Management Recovery Fund.

3 (a) In addition to any other fee provided for under this  
4 Act, the Board may charge a fee, not to exceed \$800, to be paid  
5 at the time of submission of an original application and each  
6 renewal application, for a license as an appraisal management  
7 company. Such fees shall be deposited in the Appraisal  
8 Management Company Recovery Fund.

9 (b) Any monies remaining in the Appraisal Management  
10 Company Recovery Fund at the close of the fiscal year shall not  
11 lapse, but shall be carried forward into the succeeding fiscal  
12 year.

13 (c) Notwithstanding any other law to the contrary, the  
14 Appraisal Management Company Recovery Fund is not subject to  
15 sweeps, administrative charge-backs, or any other fiscal or  
16 budgetary maneuver that would in any way transfer any amounts  
17 from the Appraisal Management Company Recovery Fund into any  
18 other fund of the State.

19 (225 ILCS 459/57 new)

20 Sec. 57. Administration of the Appraisal Management  
21 Company Recovery Fund.

22 (a) The Board shall administer the Appraisal Management  
23 Company Recovery Fund solely to provide restitution to each  
24 certified general real estate appraiser or certified  
25 residential real estate appraiser who has suffered pecuniary

1 loss:

2 (1) as a result of an appraisal management company  
3 ceasing to be registered with the Board, either voluntarily  
4 or involuntarily;

5 (2) if an appraiser has received a final judgment from  
6 a court of competent jurisdiction; and

7 (3) if no viable alternative for full restitution is  
8 available, as determined by the Board.

9 (b) Each fund distribution for restitution shall be made  
10 payable to the appropriate appraiser as determined by the  
11 Board. The amount to be paid to the appraiser shall equal the  
12 actual amount of appraisal fees that are proven to be owed to  
13 the appraiser by the relevant appraisal management company and  
14 any reasonable and appropriate court costs associated with  
15 determining the final judgment in favor of the appraiser. If  
16 the amount of restitution to be paid to one or more appraisers  
17 at any time exceeds the balance in the Appraisal Management  
18 Company Recovery Fund, the Board shall:

19 (1) distribute as much of the restitution amount as  
20 possible, which shall be deemed to satisfy in full any  
21 claim the relevant appraisers have on payments from the  
22 Appraisal Management Company Recovery Fund; and

23 (2) in the case of distributions to more than one  
24 appraiser, provide for a pro rata distribution of the  
25 available fund balance, which shall be deemed to satisfy in  
26 full any claim the relevant appraisers have on payments

1 from the Appraisal Management Company Recovery Fund.

2 (c) Whenever restitution is paid by the Appraisal  
3 Management Company Recovery Fund , the fund shall be subrogated  
4 to the amount of the restitution.

5 (d) The Department shall adopt rules, in accordance with  
6 the Administrative Procedure Act, that:

7 (1) ensure that the balance of the Appraisal Management  
8 Company Recovery Fund shall not fall below \$900,000; and

9 (2) impose the fees assessed upon appraisal management  
10 companies under Section 56 of this Act whenever the balance  
11 of the fund is less than \$900,000, and suspend imposing the  
12 fees when the balance of the fund is \$900,000.

13 Section 99. Effective date. This Act takes effect upon  
14 becoming law.